

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2774 - HB 3254

March 4, 2010

SUMMARY OF BILL: Deletes requirement for personal representatives of estates of TennCare decedents to file a release of the TennCare claim with the probate clerk before estates may be closed. Deletes requirement for personal representatives of TennCare decedents' estates to request a TennCare release of a claim. Requires the Bureau of TennCare to file claims for recovery against estates of decedent recipients no later than 12 months from the date of death, regardless of whether a notice to creditors was provided to the bureau. Any claim not filed within the 12 month period for the date of death is forever barred and TennCare will have no recourse against the personal representative of the estate.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Exceeds \$342,200

Decrease Federal Revenue – Exceeds \$657,800

Assumptions:

- The Bureau estimates that there will be a decrease in the amount of revenue collected because it will be unaware of opportunities for collection due to the plaintiff's attorney no longer having to notify TennCare through the request for release and TennCare will no longer be able to hold the personal representative accountable if TennCare is not provided notice and an opportunity to file a claim.
- Currently, TennCare collects approximately \$10,000,000 annually from estates.
- While there are several unknown factors, TennCare estimates that revenue will decrease in an amount which exceeds \$1,000,000. Of the \$1,000,000 in lost revenue, \$342,200 would be state funds at a rate of 34.22 percent and \$657,800 would be federal funds at a match rate of 65.78 percent.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kml

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